

OFFICE OF THE GOVERNOR

BOB RILEY
GOVERNOR



STATE CAPITOL
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STATE OF ALABAMA

April 10, 2006

Re: Gulf Opportunity Zone Act of 2005

Dear Sir or Madam:

In December 2005 President Bush signed the Gulf Opportunity Zone Act of 2005 to help the Gulf States recover from last summer's devastating hurricane season. The State of Alabama is currently implementing two sections of this act: allocations of the Gulf Opportunity Zone Bonds (GO Zone Bonds) and authorizing Additional Advance Refunding (AAR). The Act allows the State of Alabama to allocate up to \$2,173,860,000 in GO Zone Bonds and \$1,125,000,000 in AAR. GO Zone Bonds will be available to political subdivisions of the State in the following counties: Tuscaloosa, Pickens, Sumter, Greene, Hale, Marengo, Choctaw, Clarke, Washington, Mobile and Baldwin.

Through this act, Congress and the President placed the responsibility for selecting projects in my hands as the Governor. I do not take this responsibility lightly, and I believe our selections must consider the immediate and long term needs of the communities affected by the storms as well as the needs of the State at large. Prior to establishing a procedure, I surveyed local authorities to understand the need and demand for these financing options. Based on the responses from this survey along with careful research and consideration, I have established an application process through the Department of Finance and we are ready to proceed immediately with allocations. If you need additional information you can contact the Finance Director Jim Main at (334) 242-7160.

The following criteria will guide my decisions in allocating GO Zone Bonds:

1. Replacing property damaged or destroyed by Hurricane Katrina;
2. Rebuilding infrastructure of cities or counties damaged by Hurricane Katrina;
3. Projects that substantially improve the quality of life for the area; and
4. New economic development projects.

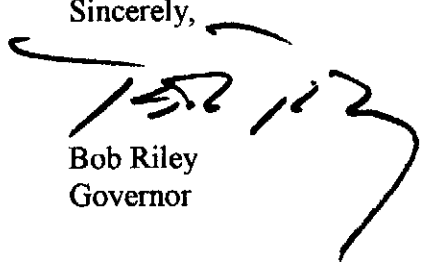
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Allocations for Additional Advanced Refunding will be made on a first-come first-served basis.

Enclosed are applications forms for requesting an allocation for Gulf Opportunity Zone Bonds and for an Additional Advance Refunding. I look forward to partnering with you in efforts to rebuild and strengthen our communities for a stronger and safer Alabama.

Sincerely,



Bob Riley
Governor

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Enclosures